

Consumer Reports MoneyAdviser™

Do you need to buy your credit score? See page 3

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Is your life insurance safe?

To find out, look beyond financial-strength ratings.

Standard advice on selecting a life-insurance policy or annuity is to buy only from companies that have high marks for financial soundness from the major ratings agencies. But insurer financial-strength ratings are not always easy to interpret, and grading systems vary from agency to agency.

Worse, in many cases, insurers pay agencies for ratings, creating conflicts of interest. And three agencies—Fitch, Moody's, and Standard & Poor's—have damaged credibility because they earned billions in fees rating mortgage-backed securities that started as "investment grade" but later were downgraded to "speculative."

At the same time, steep declines in the investment markets have damaged life insurers' income, investment portfolios, and capital reserves. There is a state-mandated life-insurance "safety net," but policyholders and beneficiaries of failed insurers might find

it weak. Most states' death-benefit "protection" limits can result in payouts that are 30 to 50 percent less than what insurers say a median-income family might need.

So it's more important than ever to do business with a financially strong insurance company. Following are four key questions to ask about the safety of your life insurer and the answers you should look for.

1 CAN YOU TRUST THE RATINGS?

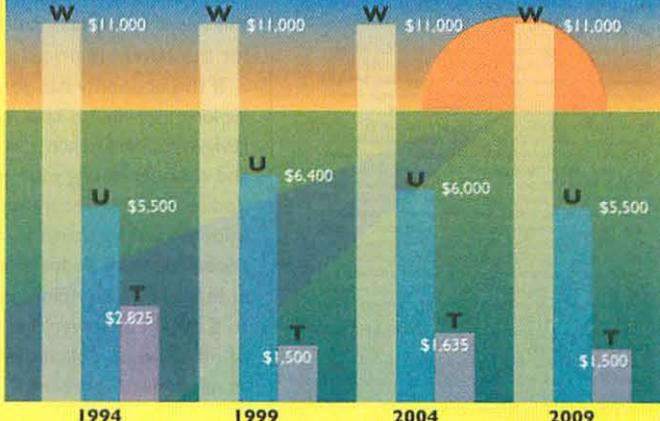
Performance studies have demonstrated the basic validity of a life-insurer financial-strength rating system. Companies with the highest grades are least likely to become insolvent. As an insurer slips down the rating scale, it has an increasingly greater chance of trouble. In a study spanning 1977 to 2007 by rating agency A.M. Best, only 0.06 percent of insurers with a top-tier A++/A+ grade were

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A long-term bargain

We recommend term life insurance for most people because it's easy to decipher, and the cost has dropped significantly over the past 15 years. Premiums are based on a \$500,000 policy for a 55-year-old, healthy, nonsmoking male.

Key W=Whole
U=Universal
T=Term



Source: Quote projections by AccuQuote. Note: Term costs shown are for a 20-year, level-premium policy.

Have fun on a shoestring

Six ways to slash your entertainment costs and still have a good time.

Here's an understatement: We can all use a little stress relief right about now. But spending money on non-essential items so you can have some fun seems indulgent in today's economy.

You're no doubt familiar with some ways you can cut entertainment costs, such as borrowing movies and books from a library. With the help of our own experts and input from financial planners, we've put together additional strategies.

1 DON'T BE SPONTANEOUS

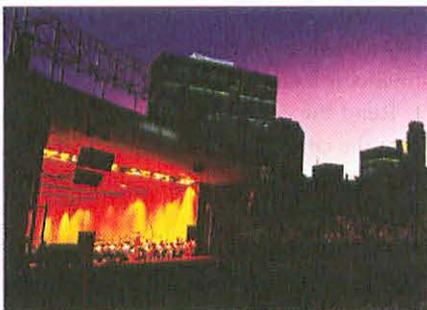
Planning ahead lets you to hunt for discounts. "You don't want to suddenly say, 'It's Saturday. Let's all go to the museum,'" says Judy McNary, a financial planner in Broomfield, Colo. Weekend admission might be \$20 a person, she says. But most museums have free hours on off-days. You can find out when at their Web sites.

Check your local newspaper or your city's Web site for a list of no- or low-cost events in the area, such as summer concerts. If you're a big sports fan, consider supporting local minor-league teams. "Tickets to our Kane County Cougars baseball games are \$8, although it's \$1 more on fireworks days," says Leisa Aiken, a Chicago financial planner. Infield upper-deck box tickets to Chicago Cubs games, on the other hand, run \$30 to \$60.

You can also find coupons for sporting events, restaurants, and movies in the "Entertainment Book," which is sold annually in 145 U.S. metropolitan areas. See if your region sponsors one at www.entertainment.com. "It goes on sale in December for around \$35, and by March it's marked down an additional 50 percent," says Kathleen Campbell, a financial planner in Fort Myers, Fla. "It can save families at least a few hundred dollars a year."

2 VOLUNTEER FOR FREEBIES

Call local theaters to see if they need volunteers to help publicize or stage concerts, plays, or dance recitals. In return you



Volunteer at a performing-arts center and you might get to see shows at no cost.

often get free tickets to upcoming shows. "I estimate that my wife and I will save over \$1,000 this year by volunteering," says Steven Wightman, a financial planner and theater buff in Lexington, Mass.

You also might be able to see shows free by volunteering to be an usher or greeter. "My friends usher at the Hollywood Bowl, so they can see the Los Angeles Philharmonic," says Jennifer Hartman, a financial planner in Los Angeles.

McNary has a client who volunteers at local ski races, which earns her complimentary ski passes. An avid scuba diver, McNary volunteers at the Denver Aquarium, which allows her to dive all day for free while she helps feed the fish.

3 NAB MEMBERSHIP DISCOUNTS

Make sure you use discounts offered by groups you've joined or companies that provide the products and services you use. For example, if you belong to AAA, your membership might include discounts on movies, theme parks, and ski passes. Some Bank of America cardholders can get free admission one day a month at more than 70 museums.

4 CHECK OUT ONLINE DEALS

A recent CONSUMER REPORTS survey found subscribers liked renting movies through the Netflix online subscription service. For \$14 a month you get an unlimited number of movies. Music lovers can get free cuts of many CDs at Music.download.

com. You'll find about 110,000 songs in all. Bookworms can check out the discounts on Booksamillion.com. You can also download free more than 100,000 books, mostly classics, at Gutenberg.org.

5 GO NOSTALGIC

Several of the planners we talked with said some families in their areas have revived card- and board-game nights. "We do this ourselves, with a table for children playing Chutes and Ladders and one for adults playing Monopoly or bridge," says Karen McIntyre, a financial planner in Lower Gwynedd, Pa.

There's also a kind of salon revival in her area. Strapped music fans are staging living room concerts. "Local musicians discuss their music and perform in people's homes," McIntyre says. "The hosts' friends make a \$5 or \$10 contribution." If you'd like to hold an in-home concert, she suggests you get musicians' contact information from a rep at a college music program or local radio station, or from coffeehouse owners who feature musical acts.

6 CREATE YOUR OWN EXCHANGE

Swap your DVDs, video games, or books with other families. "I know people whose kids swap video games, which saves you the \$50 each new game costs," Hartman says.

If you have young children, set up a baby-sitting exchange so you can get out and enjoy some entertainment. Ken Eaton, a planner in Overland Park, Kan., and his wife will baby-sit for friends' kids one Saturday night per month in exchange for free baby-sitting on other Saturdays.

You can even do some creative bartering. "We have a friend who uses our washer and dryer and in return brings a DVD we can all watch," Hartman says. Of course, this only works if you have the same taste in films. You might need to substitute something else for the DVD part of the barter if your friend is the "Footloose" type and you're "Strictly Ballroom." \$